



HARMONIZED SYSTEM
REVIEW SUB-COMMITTEE

NR0320E1

-
26th Session
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O. Eng.

Brussels, 2 August 2002.

STUDY OF POSSIBLE AMENDMENTS TO THE NOMENCLATURE
WITH REGARD TO THE CLASSIFICATION OF MULTIFUNCTIONAL DIGITAL COPIERS
(Item III.A.19 on Agenda)

Reference documents :

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| 42.406 (RSC/18) | NC0250E2, Annex H/13 (HSC/25 – Report) |
| 42.498 (RSC/18) | NC0300E1 (HSC/26) |
| 42.500, Annex B/19 (RSC/18 – Report) | NC0335E1 (HSC/26) |
| 42.750, Annex E (HSC/22 – Report) | NC0430E2, Annex H/4 (HSC/27 – Report) |
| NR0023E1 (RSC/19) | NR0182E1 (RSC/24) |
| NR0037E1 (RSC/19) | NR0205E2, Annex C/14 (RSC/24 – Report) |
| NR0045E2, Annex A/23 (RSC/19 – Report) | NR0221E1 (RSC/25) |
| NC0059E1 (HSC/23) | NR0234E1 (RSC/25) |
| NC0090E2, Annex IJ/26 (HSC/23 – Report) | NR0249E1 (RSC/25) |
| NC0160E2, Annex H/14 (HSC/24 – Report) | NR0250E1 (RSC/25) |
| NC0211E1 (HSC/25) | NR0265E3, Annex C/11 (RSC/25 – Report) |
| NC0243E1 (HSC/25) | NR0289E1 (RSC/26) |

I. BACKGROUND

1. At its 25th Session, the Review Sub-Committee continued its discussions on the study of possible amendments to the Nomenclature with regard to the classification of multifunctional digital copiers. The main points of this discussion can be found in Doc. NR0289E1.
2. The Sub-Committee concluded its discussions by agreeing to continue to examine this issue at its next session on the basis of the Secretariat proposal, which had received substantial support within the Sub-Committee and the proposals from the **US** and the **EC**

Note : Shaded parts will be removed when documents are placed on the WCO documentation database available to the public.

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- Other, sheet fed, using a sheet size not exceeding 375 mm x 525 mm :

- 8443.21 - - Multifunction machines which perform two or more of the following functions: printing, copying, facsimile transmission
- 8443.22 - - Copiers, not capable of connecting to an automatic data processing machine
- 8443.29 - - Other
- 8443.30 - Other
- 8443.60 - Machines for uses ancillary to printing
 - Parts :
- 8443.91 - - Printing cartridges, including toner, ink, ribbon and similar cartridges
- 8443.99 - - Other".

- (2) Note 2 to Chapter 84 is modified by deleting the sentence "Ink-jet printing machines (heading 84.43 or 84.71)" and substituting "Ink-jet printing machines (heading 84.43)".
- (3) Note 5 (C) to Chapter 84 is modified to read as follows :

"Separately presented units of automatic data processing, other than printers, are to be classified in heading 84.71."
- (4) Note 5 (D) to Chapter 84 is modified to read as follows :

"Keyboards, X-Y coordinate input devices and disk storage units which satisfy the conditions of paragraphs (B) (b) and (B) (c) above, are in all cases to be classified as units of heading 84.71."
- (5) Subheading Note 1 to Chapter 84 is modified by replacing "(for example, a visual display unit or a printer)" with "(for example, a printer of heading 84.43 or a visual display unit)".
- (6) Heading 84.72 is modified by deleting "hctographic or stencil duplicating machines, addressing machines,".
- (7) Subheadings 8472.10 and 8472.20 are deleted.
- (8) Subheadings 8517.21 and 8517.22 and the one-dash description immediately preceding subheading 8517.21 are deleted.

Explanation of proposed heading 84.43 :

5. The purpose of this proposal is to update the Harmonized System as it applies to printers and copiers, other than those of heading 90.09. Presently, printers and copiers are classified in a variety of headings throughout the Nomenclature, including headings 84.43, 84.69, 84.70, 84.71, 84.72 and 84.79. Some of the merchandise described in these headings is obsolete and has been replaced by printers that are connectable to automatic data processing (ADP) machines. These technological developments have resulted in classification disputes related to the potential overlap between heading 84.71 and the other provisions. This proposal seeks to simplify the classification of this machinery and mitigate the classification disputes by grouping all of this apparatus in a single heading. That heading would be created by modifying the heading text and the structured nomenclature of current heading 84.43.
6. The transfer of goods from heading 84.71 to the newly constituted provision requires certain amendments to the Notes to Chapter 84. The amendment to Note 5 (D) to Chapter 84 is intended to remove references to the classification of printers within heading 84.71 since they are being transferred to the new heading. The amendment to Note 5 (C) to Chapter 84 is intended to clarify that the printers transferred from heading 84.71 to heading 84.43 are still regarded as units of automatic data processing machines, despite the fact that they are to be classified outside of heading 84.71. Similarly, the amendment to Subheading Note 1 to Chapter 84 is intended to ensure that a shipment of a data processing unit, an input unit and a printer unit remains an automatic data processing machine presented in the form of a system, for purposes of subheading 8471.49.
7. The proposal also seeks to address the classification of machines that perform multiple functions in addition to printing, such as digital copying, scanning and/or facsimile transmission. Classification of this apparatus has been the subject of a number of classification disputes with varying and sometimes inconsistent results. This proposal should eliminate future classification disputes while, at the same time, providing for uniform classification of this apparatus. For example, facsimile machines of heading 85.17 would be transferred to heading 84.43. We note that nearly all facsimile machines can also function as copiers.
8. In addition to the machines described above, other printing machinery that is presently classifiable outside of heading 84.71 will be transferred to the new provision. In particular, duplicating machines, addressing machines and address plate embossing machines of heading 84.72 and teleprinters of heading 85.17 would be transferred to heading 84.43, as would printers which are used as parts of word-processing machines of heading 84.69 or calculating machines of heading 84.70. Moreover, all of the printing machinery and machines for uses ancillary to printing which are currently classified in heading 84.43 would remain within the newly constituted heading. (The current heading text of heading 84.43 is retained as the first part of the new text.)
9. It should be noted that proposed heading 84.43 is not intended to cover photocopying apparatus and thermocopying apparatus of heading 90.09, nor is it intended to cover the "contact printers," of heading 90.10 which are used in the transfer of circuit designs to the photoresist coated surface of a semiconductor wafer. Photocopiers, thermo-copiers and contact printers will remain in Chapter 90 because they are excluded from Section XVI by application of Note 1 (m) to that Section. On the other hand, a printer that is a part of a

machine of Chapter 90 will be classified in new heading 84.43, pursuant to Note 2 (a) to Chapter 90.

Explanation of the proposed structured nomenclature :

10. The structured nomenclature of current heading 84.43 is retained in this proposal as subheadings 8443.11 through 8443.19 and 8443.60. The current structured nomenclature for duplicating machines (current subheading 8472.10), addressing machines and address plate embossing machines (current subheading 8472.20) and teleprinters (current subheading 8517.22) are not retained in the proposal. As the following US trade statistics illustrate, trade in such products is minimal.

| Current Subheading | US Imports for 2001 (\$1,000) | US Exports for 2001 (\$1,000) |
|--------------------|----------------------------------|----------------------------------|
| 8472.10 | 26,137 | 14,463 |
| 8472.20 | 3,917 | 4,876 |
| 8517.22 | 23 | 2,099 |

11. The proposed structured nomenclature for newly constituted heading 84.43 includes a one-dash subdivision based on paper size (8443.2, "... not exceeding 375 mm x 525 mm"). This is intended to cover all standard paper sizes used on office printers. The largest standard media currently used in office printers is B3. It is a Japanese standard measuring 364 mm x 514 mm.
12. Proposed subheading 8443.21 will cover the multifunction machines currently under discussion in the Harmonized System Committee. Since the terms used to market these machines (i.e., digital machines, digital copiers, multifunction machines, etc.) are not sufficiently refined to be used for classification purposes, the proposed subheading text refers to the specific characteristics of these machines, i.e., their ability to perform two or more of the functions of printing, copying and facsimile transmission. Such multifunction machines would be classifiable in this subheading whether or not they have the built-in capability to connect to an automatic data processing machine.
13. Proposed subheading 8443.22 will cover standalone digital copiers that are not designed for connection to automatic data processing machines. Those which are designed to connect to, and operate as printer units for, automatic data processing machines, would fall in heading 8443.21.
14. Proposed subheading 8443.29 will cover the remaining printing machines designed for use with paper within the dimensions used in the office environment. Proposed subheading 8443.30 will cover the remaining printers, copiers and facsimile machines, which are designed for use with papers which exceed the dimensions used in the office environment.
15. A facsimile machine that is a multifunction machine will be classifiable in subheading 8443.21. Otherwise it will fall in subheading 8443.29.
16. Proposed subheading 8443.91 will cover printing cartridges, the major disposable parts of all printers, copiers, facsimile machines and multifunction machines."

II. SECRETARIAT COMMENTS

17. Due to its recent arrival, the Secretariat has reproduced the **US** note without comment. However, it would like to draw the Sub-Committee's attention to Agenda Item III.B.5 (**EC** proposal to amend Chapters 84, 85, 90 and 95), which also covers the classification of printers and copiers.

III. CONCLUSION

18. The Sub-Committee is invited to take account of the **US** proposal when it examines this agenda item.
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